

**Maine Revised Statutes**  
**Title 11: UNIFORM COMMERCIAL CODE**  
**Article :**

**§5-1117. SUBROGATION OF ISSUER, APPLICANT AND NOMINATED PERSON**

(1). An issuer that honors a beneficiary's presentation is subrogated to the rights of the beneficiary to the same extent as if the issuer were a secondary obligor of the underlying obligation owed to the beneficiary and of the applicant to the same extent as if the issuer were the secondary obligor of the underlying obligation owed to the applicant.

[ 1997, c. 429, Pt. A, §2 (NEW); 1997, c. 429, Pt. A, §4 (AFF) .]

(2). An applicant that reimburses an issuer is subrogated to the rights of the issuer against any beneficiary, presenter or nominated person to the same extent as if the applicant were the secondary obligor of the obligations owed to the issuer and has the rights of subrogation of the issuer to the rights of the beneficiary stated in subsection (1).

[ 1997, c. 429, Pt. A, §2 (NEW); 1997, c. 429, Pt. A, §4 (AFF) .]

(3). A nominated person who pays or gives value against a draft or demand presented under a letter of credit is subrogated to the rights of:

(a). The issuer against the applicant to the same extent as if the nominated person were a secondary obligor of the obligation owed to the issuer by the applicant; [1997, c. 429, Pt. A, §2 (NEW); 1997, c. 429, Pt. A, §4 (AFF).]

(b). The beneficiary to the same extent as if the nominated person were a secondary obligor of the underlying obligation owed to the beneficiary; and [1997, c. 429, Pt. A, §2 (NEW); 1997, c. 429, Pt. A, §4 (AFF).]

(c). The applicant to the same extent as if the nominated person were a secondary obligor of the underlying obligation owed to the applicant. [1997, c. 429, Pt. A, §2 (NEW); 1997, c. 429, Pt. A, §4 (AFF).]

[ 1997, c. 429, Pt. A, §2 (NEW); 1997, c. 429, Pt. A, §4 (AFF) .]

(4). Notwithstanding any agreement or term to the contrary, the rights of subrogation stated in subsections (1) and (2) do not arise until the issuer honors the letter of credit or otherwise pays and the rights in subsection (3) do not arise until the nominated person pays or otherwise gives value. Until then, the issuer, nominated person, and the applicant do not derive under this section present or prospective rights forming the basis of a claim, defense or excuse.

[ 1997, c. 429, Pt. A, §2 (NEW); 1997, c. 429, Pt. A, §4 (AFF) .]

**SECTION HISTORY**

1997, c. 429, §A2 (NEW). 1997, c. 429, §A4 (AFF).

---

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 126th Maine Legislature and is current through August 1, 2014. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.
--